GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2738
ANSWERED ON:31.08.2007
WITHDRAWAL OF EXCISE EXEMPTION
Chowdhury Shri Adhir Ranjan;Hasan Chaudhary Munawwar;Singh Shri Uday

Will the Minister of FINANCE be pleased to state:

(a) whether cases of excise duty evasion in contract manufacturing and loan licensing by Pharmaceutical units have come to the notice of the Union Government;

(b) If so, the details thereof of the last three years, State-wise;

(c) Whether the Government proposes to withdraw the excise exemption from contract manufacturers and loan licencees as reported in the Tehelka dated July 21, 2007; and

(d) If so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S.PALANIMANICKAM)

(a) and (b)- The information is being collected will be laid on the table of the House.

(c) and (d) - Government has received some suggestions regarding withdrawal of excise duty exemption in tax exempted States for manufacture of drugs against loan licencees and contract manufacturers. These are under examination.